

DEPARTMENT OF SOCIAL SERVICES

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News Releases Podcasts

- Interviews with Vehicles for Change officials and recipients

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Tax law allows for larger credit on certain charitable donations

Donated cars help change lives for working families; vehicles desperately needed

Richmond, Va. – A little-known tax law may allow individuals to receive a greater credit for a vehicle donated to charity. When people donate their unwanted car to a charity such as Vehicles for Change (VFC), they may be able to deduct the fair market value of the vehicle, instead of the traditional deduction of just the sale price. That is because charities like VFC make significant improvements to donated cars and sell them to low-income working families at a reduced cost.

"Federal guidelines allow you to deduct full market value when the car you donate is sold to a low-income family. That can sometimes mean double the deduction you would receive if you donated to a charity that simply sells the cars at auction to the general public," said Marty Schwartz, VFC executive director.

VFC operates in 44 Virginia localities and is a community-based initiative that helps change the lives of low-income families throughout the Commonwealth. The organization provides cars at a reduced cost and low-interest rate loan. The average cost to participants is about \$700 for a car that allows them to get to work.

"Transportation is the main barrier to employment for low-income families, especially in rural areas where there is no public transportation, a job may be 30 miles away and the cost of a cab is out of reach for many people. A car is the only way out of poverty for many folks," Schwartz said. "When you donate your car to Vehicles for Change, you are not only getting a greater tax deduction, you are helping to change someone's life by helping them hold a job. It's a win-win for everyone involved."

Most recipients of VFC cars are referred through local departments of social services. The Virginia Department of Social Services (VDSS) also administers a grant to the organization. "We're proud to partner with Vehicles for Change. Having a car to get back and forth to work can mean the difference between poverty and prosperity for many people. Moving from public assistance to employment is critical to gaining and maintaining self-sufficiency," said VDSS Commissioner Anthony Conyers Jr.

For Shonda Stolzenberger of Tazewell, her VFC vehicle means being able to keep a job and stay off of public assistance. "I almost lost my job several times because I didn't have a way to work.

This program makes everything possible. You're able to come off of welfare because you're able to keep a job. You're able to come off of food stamps. You can take care of your kids. When you don't have a car, it takes your pride and self-esteem away, and this program gives it back," she said.

- Listen to Shonda and other VFC recipients

The program cannot work without your help. VFC is currently in great need of donations. Individuals and businesses can donate vehicles. Repair facilities can donate time and services. To learn more about donating, visit www.vehiclesforchange.org or call 1-800-835-3821.

The Virginia Department of Social Services administers social services programs, consistent with federal and state law and policy of the State Board of Social Services, through 120 local departments of social services throughout the state and its home office in Richmond. The VDSS mission is "People helping people triumph over poverty, abuse, and neglect to shape strong futures for themselves, their families and communities."

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Editor's note: The attached podcast, accessible by selecting the "Pod" icon above the date at the top of the page, can be used in its entirety or for sound clips. Additional interviews are available upon request. For story ideas and information, contact Carla Harris, VDSS, (804) 726-7107 or carla.harris@dss.virginia.gov.